

FY _____

* If Federal Funds, CFDA #:_____

PURCHASE OF SERVICE ATTACHMENT 6: CAPITAL BUDGET:
For Purchase Of Capital Assets With Commonwealth Funds

Program Name:		Document ID#:		MMARS Program Code:		Program Type		UFR Prog. #	
Item to Be Purchased	Need For Item				Quantity	Estimated Unit Cost	Estimated Total Cost		

DEPARTMENT USE ONLY: Check the appropriate box:

Total Cost: \$_____

Capital items purchased by the Contractor: ☐

Capital items purchased by the Commonwealth (object code M11):

Only capital items, as defined in 808 CMR 1.02, may be procured through a capital budget with Commonwealth funds. The following are not eligible to be procured through this capital budget: capital items defined under 808 CMR 1.02 which includes capital items that are not moveable, an asset or group of assets that are below the Contractor's capitalization level, or items not approved by the Department. Title to all capital items purchased by the Contractor through this capital budget shall vest with the Contractor (with certain restrictions). Title to all capital items purchased by the Commonwealth through this capital budget and the M11 object code shall vest with the Commonwealth.

* Pursuant to the provisions of OMB Circular A-122 a capital budget that utilizes federal grant funds to acquire capital items for use in programs receiving any federal grant funds may not be used unless the Department receives prior written approval from the Federal awarding agency(ies). Capital items of furnishings and equipment purchased with Commonwealth funds that are to be owned by the Contractor and used in programs receiving federal grant funds may only be acquired using a capital budget if the revenue and expense associated with the capital items are budgeted and disclosed in the UFR as a separate revenue and cost category of the program.

Use of assets acquired with Commonwealth funds should be clearly disclosed in the financial statements. The asset(s) should be disclosed on the UFR Balance Sheet in the plant fund if the Contractor holds title or in the Custodian fund if the Commonwealth holds title. The revenue derived from the capital budget when the asset is purchased should be disclosed in program services on the UFR Statement of Activities and in the appropriate program(s) on the Supplemental Revenue Schedule A. Capital assets, whether owned by the Contractor or the Commonwealth, should be depreciated and disclosed in Supplemental Expense Schedule B and Schedule B-1 as a non-reimbursable cost when incurred, using the schedule of service lives issued by the Operational Services Division. See also 808 CMR 1.05(2)(d).

The assets furnished through a capital budget must be labeled and kept on file in the Contractor's written inventory, which notes the number and description of assets, source of funding, acquisition cost and location of the assets, pursuant to 808 CMR 1.04(5). In addition, the Contractor must follow disposition standards in 808 CMR 1.04(5).

I, _____, an authorized signatory for _____ (the Contractor), hereby certify that the Contractor's capitalization level established for financial statement purposes by the board of directors is: an asset or group of assets of non-expendable personal property having a useful life of more than one year and an acquisition cost of \$ _____.

(Signature)
(Title)
(Date)